



IDC releases 2020 top 10 digital transformation trends for Australia

IDC PRESS RELEASE

Sydney, 3 February 2020

Global technology research company IDC has just released its 2020 top 10 digital transformation (DX) trends for Australia. The report, *IDC FutureScape: Worldwide Digital Transformation 2020 Predictions – Australia Perspective* (IDC #AP44721519) provides IDC's vision for DX through to 2025 supplying direction to Australian organisations on where they should be prioritising investment to become digital leaders.

The culture of the organisation is emerging as one of the biggest precursors to digital excellence, forming the foundation for this year's predictions. "By 2024, the leaders of 50% of Australian organisations will have mastered "future of culture" traits, such as empathy, empowerment, innovation, and customer data centricity as they seek digital leadership at scale, says Louise Francis, Research Director, IDC A/NZ. "This will, in turn, accelerate co-innovation and enable businesses to respond to market changes at hyperspeed as the enterprise learns as a single entity and at scale."

In 2020 the emphasis shifts from DX technologies to underlying organisational structures and innovation ecosystems. One of the earliest shifts IDC is predicting in 2020 is adoption of digital KPIs (key performance indicators), with a third of Australian businesses adopting multiple business metrics by 2020, to gain deeper insight into the business value of DX.

"As DX budgets and effectiveness come under scrutiny, CEOs, boards and DX decision makers will demand and expect metrics that demonstrate the true value and return on investment. With DX budgets now outstripping tradition IT budgets it is not a matter of if, but when businesses will move to an enriched metrics model," says Francis.

Trends at a Glance for Australia (in no particular order)

1. **Future of Culture:** By 2024, the leaders of 50% of organisations listed in AXS200 will have mastered future of culture traits, such as empathy, empowerment, innovation, and customer data centricity to achieve leadership as scale.

2. **Digital Co-Innovation:** By 2022, empathy among brands and for customers will drive ecosystem collaboration and co-innovation among partners and competitors, which will drive 20% of the collective growth in customer lifetime value.

3. **AI at Scale:** By 2022, with proactive, hyperspeed operational changes and market reactions, AI-powered organisations will respond to customers, competitors, regulators, and partners at least 20% faster than their peers will.

4. **Digital Offerings:** By 2022, 40% of organisations will neglect investing in market-driven operations and will lose market share to existing competitors that made the investments as well as to new digital entries.

5. **Digitally Enhanced Workers:** By 2022, new Future of Work practices will expand the functionality and effectiveness of the digital workforce by 25%, fueling an acceleration of productivity and innovation at practicing organisations.

6. **Digital Investment:** By 2021, DX spending will grow to over 55% of all ICT investment from 45% today, with the largest growth in data intelligence and analytics, as companies create information-based competitive advantages.

7. **Ecosystem Force Multipliers:** By 2024, 75% of digital leaders will devise and differentiate end customer value measures from their platform ecosystem participation, including an estimate of the ecosystem's multiplier effects.

8. **Digital KPIs Mature:** By 2020, 35% of companies would have aligned digital KPIs to direct business value measures of revenue and profitability, eliminating today's measurement crisis in which DX KPIs are not directly aligned.

9. **Platforms Modernise:** Driven both by escalating cyberthreats and needed new functionality, 68% of organisations will aggressively modernise legacy systems with extensive new technology platform investments through 2023.

10. **Invest for Insight:** By 2023, enterprises seeking to monetize the benefits of new intelligence technologies will invest over US\$5.5 billion in Australia, making the DX business decision analytics and AI domain a nexus for digital innovation.

To find out more about IDC's Top 10 Digital Transformation (DX) trends for Australia and New Zealand, register for the IDC Futurescapes Webinar: Top 10 DX trends for Australia and New Zealand, taking place on 26th February. https://idcresearch.zoom.us/webinar/register/WN_xQTOFAXUSYWYdi4e0qVh0A

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